

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JUNE 27, 2019

A special meeting of the Grand Haven Board of Light and Power was held on Thursday, June 27, 2019, at 3:30 p.m. at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 3:30 p.m. by Chairperson Smart.

Present were Directors Kieft, Naser, VanderMolen, Witherell and Smart

Also present were David Walters, General Manager and Renee Molyneux, Administrative Services Manager and Secretary to the Board.

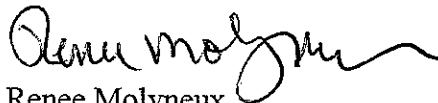
Director Witherell, supported by Director Naser, moved to approve the meeting agenda. The motion was unanimously approved.

19-07A Meeting Closed for a Periodic Personnel Evaluation Review of a Public Officer — Director Naser, supported by Director Witherell, moved to adjourn the open session and enter into closed session pursuant to section 8(a) of the Open Meetings Act for the purposes of performing a periodic personnel evaluation of a public officer. In a roll call vote of the Board, those in favor: Directors Kieft, Naser, VanderMolen, Witherell and Smart; those absent: none; those opposed: none. The motion was unanimously approved.

19-07B Return to Open Session — Director Naser, supported by Director Witherell, moved to adjourn the closed session and reenter open session. In a roll call vote of the Board, those in favor: Directors Kieft, Naser, VanderMolen, Witherell and Smart; those absent: none; those opposed: none. The motion was unanimously approved.

At 3:46 p.m. by motion of Director Witherell, supported by Director Kieft, the June 27, 2019 special Board meeting was adjourned.

Respectfully submitted,



Renee Molyneux
Secretary to the Board

RM

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JUNE 27, 2019

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, June 27, 2019, at 4:00 p.m. at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 4:00 p.m. by Chairperson Smart.

Present were Directors Kieft, Naser, VanderMolen, Witherell and Smart.

Also present were David Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; Rob Shelley, Distribution and Engineering Manager; Erik Booth, Power Supply Manager; Mike Borgstadt and Andrew Cerra, Burns & McDonnell.

Director Witherell, supported by Director Naser, moved to approve the meeting agenda. The motion was unanimously approved.

19-08A Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the May 16, 2019 Board meeting
- Accept and file the May 2019 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$2,452,940.73 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$763,490.85 from the Renewal and Replacement Fund
- Confirm Purchase Order #20713 to Survalent Technology, Inc. in the amount of \$9,620 for annual SCADA software support
- Confirm Purchase Order #20717 to Network Environmental, Inc. in the amount of \$5,650 for Emission testing at the Diesel Plant as required by the air permit
- Confirm Purchase Order #20718 to Network Environmental, Inc. in the amount of \$6,238 for 2nd quarter emission testing at Sims for MATS compliance
- Confirm Purchase Order #20719 to Network Environmental, Inc. in the amount of \$7,400 for Relative Accuracy Test Audit
- Confirm Purchase Order #20726 to Power Delivery Program, Inc. in the amount of \$11,368 for System Operator Certification Program training modules from Northwest Lineman College
- Confirm Purchase Order #20729 to Vivid Learning Systems, Inc. in the amount of \$5,400 for online safety training for FY 2020
- Confirm Purchase Order #20743 to KSB Dubric, Inc. in the amount of \$10,105 for module mixer installation

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JUNE 27, 2019

- Confirm Purchase Order #20744 to Northern Boiler Mechanical Contractors in the amount of \$43,818 for spring outage repairs in the Precipitator, Boiler and Scrubber
- Confirm Purchase Order #20745 to Schenck Process, LLC in the amount of \$10,000 for emergency coal feeder repairs
- Confirm Purchase Order #20762 to Joint Michigan Apprentice Program in the amount of \$10,000 for apprentice lineworker tuition
- Confirm Purchase Order #20768 to Holland Litho Printing Service in the amount of \$5,057 for Plugged In newsletter printing
- Confirm Purchase Order #20770 to NISC in the amount of \$8,000 for iVUE software Programming associated with implementation of AMI
- Confirm Purchase Order #20775 to Network Environmental, Inc. in the amount of \$6,238 for 3rd quarter emission testing at Sims for MATS compliance
- Confirm Purchase Order #20783 to C.C. Power, LLC in the amount of \$13,322 for capacitor bank installation

The MPPA Energy Services Agreement requires members to deposit one ‘large or fat’ month with MPPA. The deposit is retained by MPPA and is reported on the BLP’s balance sheet. We are converting a portion of our coal inventory to cash each month and depositing that amount with MPPA with the goal of reaching a deposit amount of \$1.6 to \$1.7 million.

Purchase Order #20770 is a placeholder to get on NISC’s schedule for software programming when we are prepared to move forward on the AMI project.

The motion was unanimously approved.

19-08B Public Comment Period – Andy Cawthon, BLP customer, thanked the Board and employees of the BLP for the work provided on the musical fountain upgrade project.

No formal action taken.

19-08C Director Witherell, supported by Director Kieft, moved to approve the following purchase orders:

- Approve Purchase Order #20736 to Michigan Cat, Inc. in the amount of \$43,350 for a Caterpillar mini-excavator
- Approve Purchase Order #20779 to GRP Engineering, Inc. in the amount of \$17,000 for engineering services for Phase 2 of the West Spring Lake Road Hendrix improvement project
- Approve Purchase Order #20780 to GRP Engineering, Inc. in the amount of \$218,000 for engineering services for Island Substation improvements

The motion was unanimously approved.

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JUNE 27, 2019

19-08D Director Witherell, supported by Director Kieft, moved to approve opting out of Public Act 95 for FY 2020 as allowed by the Act. Under this Act, the State can collect up to \$1 per meter per month to fund the its low-income assistance program. The Act allows municipal utilities to opt out; however, if we opt out, we as a utility are not allowed to do shutoffs for delinquent residential customers during the winter months. BLP customers in need may receive assistance through our Hometown Helping Hand program and the Salvation Army.

The motion was unanimously approved.

19-08E Mike Borgstadt from Burns & McDonnell presented the findings of the Project Definition Report (PDR) to the Board. In November 2018, a 36 MW plant design was selected for the PDR. A project of this size has been determined to be cost-prohibitive. Regardless of the generation path, there are actions the GHBLP will need to conduct after Sims is retired, which includes decommissioning and demolition of the plant, site remediation and mitigation, substation work and a temporary solution for snowmelt.

Several factors have contributed to the escalation of the original estimate of approximately \$65 million to the \$95 - \$100 million range. Those factors include the unknown condition of the pilings below Sims, demolition pricing, site remediation and mitigation pricing, additional gas pipeline infrastructure costs and noise mitigation, and the addition of non-generation facilities on site.

Burns & McDonnell recommend the BLP pause on determining the size of any reciprocating engine plant on site and take time to further vet costs before moving forward further. They will be working with BLP staff to finalize the PDR report.

No formal action taken.

19-08F Rob Shelley, Distribution & Engineering Manager, provided a presentation of GHBLP's Electric Distribution Load Flow Study conducted by GRP Engineering. This study is an engineering modeling analysis of the BLP's distribution system. They used a 1% annual growth in load forecast to determine system needs. Voltage issues are all occurring on the 2400-volt portion of our system.

Looking at reliability, Circuit 53 (West Spring Lake Road area) had the most outage issues. We are working to correct this with the West Spring Lake Road upgrade project.

We are focusing Distribution Capital Improvement Projects on the most pressing items found in the Engineering Study:

- 2020: West Spring Lake Road improvements and 2400-volt rebuild, which improves voltage issues in the oldest section of town
- 2021: Island substation rebuild
- 2022: Relocate #2 Transformer from Osipoff to the North Substation and increase the size of a new unit at Osipoff
- 2024: Even out loads among circuits in the industrial park area

No formal action taken.

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JUNE 27, 2019

19-08G MPPA's April 2019 Quarterly Power Supply Plan update focuses on short term energy for the next 12 months. We will be referring to this report for upcoming purchases.

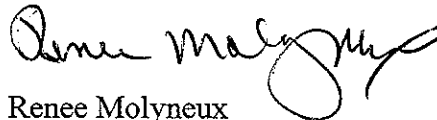
No formal action taken.

19-08H Other Business - Chairperson Smart advised the Board the draft Bylaws will be provided in the next couple months for review and comment. We are also updating our Board Orientation binders and will have that project complete following Board approval of the By-laws.

Staff has been working on updating customer and distribution policies and is combining all into a single 'Electric Service Rules, Standards and Rates' document. We will be providing this document to the Board for review and comment in the next couple months as well.

At 6:01 p.m. by motion of Director Witherell, supported by Director Naser, the June 27, 2019 Board meeting was adjourned.

Respectfully submitted,



Renee Molyneux
Secretary to the Board

RM